

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
GLOBAL EXPEDITED PACKAGE SERVICES 6 (MC2016-149)
NEGOTIATED SERVICE AGREEMENT

Docket No.
CP2016-261

**REPLY OF THE UNITED STATES POSTAL SERVICE TO
PUBLIC REPRESENTATIVE RESPONSE TO MOTION FOR PARTIAL
RECONSIDERATION OF ORDER NO. 3488**
(September 12, 2016)

On September 1, 2016, the Postal Service moved for partial reconsideration of Order No. 3488 (August 25, 2016). The motion sought a determination that the revisions reflected in the models in USPS-LR-CP2016-261/NP1¹ constitute corrections of an error rather than changes in analytic principles, and, on that basis, that no separate proceeding should need to be initiated to review those revisions further. Pursuant to Order No. 3496 (September 2, 2016), the Public Representative filed a response to the motion on September 9, 2016. The Public Representative agrees with the Postal Service's conclusion that the revisions implemented are indeed corrections and do not constitute changes in analytic principles. Response at 2. The Public Representative nonetheless appears to maintain that further review in a separate proceeding should still be required before the Postal Service can rely on the revised models. The Postal Service respectfully suggests, however, that the rationale offered by the Public Representative to support that position is unpersuasive.

¹ Notice of the United States Postal Service of Filing of USPS-LR-CP2016-261/NP1, Docket No. CP2016-261, August 17, 2016.

The essence of the Public Representative's reasoning is that allowing the Postal Service to make corrections within a NSA docket "does not promote transparency or provide opportunity for meaningful comment." Response at 3. While the Postal Service appreciates the concern that substantive changes should not be slipped into an expedited docket, the Postal Service submits that the Public Representative's response fails to appreciate the relevant distinction between mere correction of an error, and an actual change in analytic principles. The purpose of treating the two differently is that a proposed change in analytic principles is generally justified based on potentially subjective judgment regarding what is viewed as a methodological improvement, while error correction relies instead on objective identification of an error. Obviously, proposals based on potentially subjective judgment can give rise to the need for more thorough evaluation.

But once an error has objectively been identified and the correction implemented, which the Public Representative agrees is the case in this instance, then there is no purpose served by attempting to create further opportunity for "meaningful comment." Surely no commenter is going to advocate that the error should not be corrected, or that cost estimates based on erroneous inputs are to be preferred over those generated by the models after the error has been corrected. Fundamentally, the notion of "meaningful comments" under these circumstances is illusory, and advocating further review is simply elevating form over substance. If extended more broadly, this reasoning would totally undermine the objectives underlying Order No. 104, in which the distinction between error correction and analytic changes was initially established in order to avoid

unnecessary procedural entanglements, yielding more accurate empirical results while conserving the administrative resources of both the Commission and the Postal Service.

Having agreed as a factual matter that the revisions in question are corrections of errors rather than changes in analytic principles, as a matter of logic, the Public Representative fails to identify any valid basis upon which a need for further proceedings in a separate docket can be premised. Consequently, she thus fails to advance any cogent basis upon which the Postal Service's motion for partial reconsideration should be denied.

Respectfully submitted,

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